

5th. The bill forbade the bank to make payments in gold either for fractional sums or for any of their notes during the session of Parliament. The committees then addressed themselves to a full hearing regarding the bank management and the best means of resuming specie payments upon a secure basis.

The testimony taken by the committees indicated a marked advance in sound opinion among bankers and business men since the adoption of the comic resolutions of Mr. Vansittart. Nearly all the witnesses admitted the influence of the irredeemable circulation upon the foreign exchanges and the necessity of curtailing the circulation when the exchanges became unfavorable and the automatic regulation of redemption in coin on demand was lacking. The majority of the bank directors were not convinced of the wisdom of these views until several years later, but Sir Robert Peel changed his opinion completely and found a powerful supporter in Lord Grenville, who was a member of the Cabinet which originally proposed the restriction act. Lord Grenville went so far as to declare that he considered the restriction one of the greatest calamities under which the country labored and to deplore the part which he had himself taken when it was proposed. While the bank was enabled by the act to lend money with one hand, he declared, it was with the other shaking the foundation of contracts, affecting prices, and involving the country in distress and individuals in ruin ten times greater than any benefits they could derive from liberal issues.

Both houses concurred in the passage of a bill for the gradual resumption of specie payments by the reduction of the mint price of gold. It was provided that after February 1, 1820, the bank should be required to deliver gold of standard fineness in quantities of not less than sixty ounces at  $^4$  *is.* per ounce; that after October 1, 1820, the rate should be reduced to *£\$ igs. 6d.* and after May 1, 1821, to the mint price of  $^3$  *ijs. 10d.* per ounce. The provision for payment in bullion was adopted so as to prevent a run upon the bank for coin by small note-holders, while it established